

**ORIGINAL**

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2 Gennady L. Lebedev, Esq., SBN 179945  
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6 Attorneys for Plaintiff,  
7 HOUTAN PETROLEUM, INC.

8 **UNITED STATES DISTRICT COURT IN AND FOR**  
9 **THE NORTHERN DISTRICT OF CALIFORNIA**

10 HOUTAN PETROLEUM, INC.

11 Plaintiff,

12 vs.

13 CONOCOPHILLIPS COMPANY, a  
14 Texas Corporation and DOES 1  
through 10, Inclusive

15 Defendants.  
16  
17  
18

CASE NO.

**DECLARATION OF THOMAS P.  
BLEAU IN SUPPORT OF  
APPLICATION FOR TEMPORARY  
RESTRAINING ORDER AND  
PRELIMINARY INJUNCTION OF  
HOUTAN PETROLEUM, INC.**

19 I, Thomas P. Bleau, declare as follows:

20 1. That I am an attorney duly licensed to practice law before all courts of the  
21 State of California and the Central District of California and am a partner with the law  
22 firm of Bleau / Fox, A P.L.C., counsel of record for Plaintiff in this action, Houtan  
23 Petroleum, Inc.. That if called upon to testify, I could and would do so competently  
24 based upon my personal knowledge of the facts as stated herein. I make this  
25 declaration in support of Plaintiff's Ex Parte Application for Temporary Restraining  
26 Order/Preliminary Injunction.

27 2. On October 29, 2007, I sent via facsimile and U.S. Mail a letter to  
28 ConocoPhillips Company, with attention to R. L. Mathews, agent of ConocoPhillips

1 Company, a true and correct copy of which is attached hereto as **Exhibit "A."**

2 3. Thereafter I was contacted by Adam Friedenberg an attorney with the  
3 firm, Glynn & Finley, who indicated that it would be representing ConocoPhillips in  
4 connection with the issues which are the subject of the above-captioned lawsuit.  
5 Attached hereto as **Exhibit "B"** is a true and correct copy of my letter dated October  
6 31, 2007 to Mr. Friedenberg, advising ConocoPhillips of my client's intention to  
7 proceed with the underlying lawsuit.

8 4. Although Mr. Friedenberg and I met and conferred in an attempt to  
9 resolve the underlying dispute on behalf of our respective clients, we could not reach  
10 a mutually acceptable agreement, forcing my client to proceed with the instant  
11 application for a temporary restraining order and preliminary injunction.

12 5. Attached hereto as **Exhibit "C"** is a true and correct copy of my letter to  
13 ConocoPhillips Company's attorneys, Adam Friedenberg and Clement Glynn of  
14 Glynn & Finley that I faxed and mailed on November 2, 2007, indicating that the  
15 Plaintiff in this action intended to file the instant ex parte application in the United  
16 States District Court, Northern District of California. My letter also advised these  
17 individuals of when the application would be made and the location of its filing.

18 6. Based on Mr. Friedenberg's conversations with my office, it is my  
19 understanding that ConocoPhillips Company intends to oppose the instant  
20 Application.

21 I declare under penalty of perjury under the laws of the State of California and  
22 United States of America that the foregoing is true and correct.

23 Executed this 5<sup>th</sup> day of November, 2007 in Los Angeles, California.

24  
25   
26 Thomas P. Bleau

**EXHIBIT “A”**

**000003**



Via Facsimile and Regular Mail  
(916)558-7696

October 29, 2007

CONOCOPHILLIPS  
76 Broadway  
Sacramento, CA 95818  
Att: R. L. Mathews

Re: My Client: Houtan Petroleum  
Station Location: 101 E. El Camino Real, Mountain View, CA 94040  
Station #: 255661

Dear Mr. Mathews:

Please be advised that this office has been retained by the above-referenced client relative to the OFFER TO SELL IMPROVEMENTS (hereafter "Offer") you forwarded to my client on or about September 22, 2007.

My client contends that the terms and conditions of the Offer are arbitrary and commercially unreasonable, that the amounts set forth in the Offer for improvements and equipment are excessive and do not approach fair market value, that ConocoPhillips' Offer regarding same does not constitute a "bona fide offer" and that the Offer contains unlawful waivers of my client's rights all in violation of the Petroleum Marketing Practices Act (hereafter "PMPA"). Moreover, ConocoPhillips failed to give my client proper notice of termination in violation of the PMPA and stopping my client's fuel supply may result in damages to my client, which ConocoPhillips will be responsible for.

It is my understanding that you have threatened to remove the improvements and equipment if my client does not accept the Offer by today. Please be advised that should ConocoPhillips attempt to remove the improvements and equipment, my client will have no choice but to call the police and have anyone attempting to do so physically removed from the premises by the authorities. Since my client has acquired possession of the premises, ConocoPhillips is obligated to make my client a bona fide offer to sell the improvements and equipment and may not remove same absent a court order.

In the meantime, please forward a copy of the appraisal that you claim supports ConocoPhillips'

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October 29, 2007  
CONOCOPHILLIPS  
Att: R. L. Mathews  
Page two

\$340,000 value on the improvements and equipment to my office. My client expressly reserves all of its legal rights pending a final legal determination of such rights.

If you have any further questions, please feel free to contact the undersigned.

Very truly yours,



Thomas P. Bleau  
TPB: tb

cc: Client

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BLEAU FOX, A P.L.C.  
 3575 Cahuenga Boulevard West, Suite 580  
 Los Angeles, California 90068-1336  
 Telephone: (323) 874-8613  
 Facsimile: (323) 874-1234

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Date:	<u>10/29/07</u>
To:	<u>R. L. Mathews</u>
Facsimile Number:	<u>(916) 558-7696</u>
From:	<u>Tom Bleau</u>
Reference:	<u>Site # 255661</u>
Hardcopy to Follow:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Number of Pages:	<u>3</u> , including cover page
Comments:	         

000006

TRANSMISSION VERIFICATION REPORT

TIME : 10/29/2007 12:29  
NAME : BLEAUFIX  
FAX : 3238741234  
TEL : 3238748613  
SER.# : BROL3J935204

DATE, TIME	10/29 12:29
FAX NO./NAME	19165587696
DURATION	00:00:44
PAGE(S)	03
RESULT	OK
MODE	STANDARD
	ECM

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**EXHIBIT “B”**

**000008**



# BLEAU FOX

A PROFESSIONAL LAW CORPORATION

3575 CAHUENGA BLVD. WEST, SUITE 580  
LOS ANGELES, CALIFORNIA 90068  
(323) 874-8613  
FACSIMILE (323) 874-1234

Via Facsimile and Regular Mail  
(925)945-1975

October 31, 2007

GLYNN & FINLEY  
100 Pringle Ave., Suite 500  
Walnut Creek, CA 94596  
Att: Adam Friedenber

Re: My Client: Houtan Petroleum  
Station Location: 101 E. El Camino Real, Mountain View, CA 94040  
Station #: 255661

Dear Mr. Friedenber:

In furtherance of our telephone conversation yesterday, my client contends that ConocoPhillips' termination of the franchise relationship and attempts to remove the improvements and equipment at the station, notwithstanding the fact that ConocoPhillips was notified in writing that my client had acquired possession from the landlord, violated my client's rights under the PMPA.

After speaking with you yesterday, I learned that ConocoPhillips' employees have been harassing my client, acting very unprofessional and have threatened to remove fuel purchased by my client from his UST's today, despite our conversation about maintaining the status quo while the parties negotiate a new supply agreement. Therefore, it has become obvious that we will need to file a lawsuit and seek a temporary restraining order and preliminary injunction against ConocoPhillips forthwith.

I will forward you a courtesy copy of the complaint as well as the ex parte application for TRO and notice thereof under separate cover. Please advise whether you are authorized to accept service of process.

If you have any further questions, please feel free to contact the undersigned.

Very truly yours,



Thomas P. Bleau  
TPB: tb

cc: Client

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TRANSMISSION VERIFICATION REPORT

TIME : 10/31/2007 09:12  
NAME : BLEAUFOX  
FAX : 3238741234  
TEL : 3238748613  
SER.# : BROL3J935204

DATE, TIME	10/31 09:11
FAX NO./NAME	19259451975
DURATION	00:00:28
PAGE(S)	01
RESULT	OK
MODE	STANDARD
	ECM

000010

**EXHIBIT “C”**

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**BLEAU FOX**

A PROFESSIONAL LAW CORPORATION

3575 CAHUENGA BLVD. WEST, SUITE 580

LOS ANGELES, CALIFORNIA 90068

(323) 874-8613

FACSIMILE (323) 874-1234

November 2, 2007

Clement L. Glynn, Esq.  
Adam Friedenber, Esq.  
100 Pringle Avenue, Suite 500  
Walnut Creek, CA 94596

VIA FACSIMILE TRANSMISSION AND U.S. MAIL

Fax No.: 925-945-1975

RE: My client: Houtan Petroleum  
Station Location: 101 E. El Camino Real, Mountain View, CA 94040  
Station #: 255661

Dear Messrs Glynn and Friedenber:

This letter follows my conversation with your office regarding our above-referenced client and the corresponding PMPA franchise. I am sending this letter to you because I am under the understanding that you represent ConocoPhillips Company in this regard and will be its attorney of record in the litigation that is about to ensue.

Please be advised that on Monday, November 5, 2007, we intend to file a complaint for injunctive relief and damages pursuant to the PMPA, as well as an Application for a Temporary Restraining Order and Preliminary Injunction, in the United States District Court, Northern District of California, Phillip Burton United States Courthouse, 16th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102-3434.

The Application for a Temporary Restraining Order/Preliminary Injunction will seek to restrain and enjoin ConocoPhillips Company and its agents, assigns, employees, or all those in active participation with it, from terminating and non-renewing its franchise relationship with Houtan Petroleum at its subject station, from taking any action to de-identify such station as a ConocoPhillips/Union 76 branded station, and requiring ConocoPhillips to continue supplying ConocoPhillips/Union 76 branded gasoline to such station during the pendency of the Action.

Said Application will be made under the provisions of the Petroleum Marketing Practices Act and Federal Rule of Civil Procedure 65.

As you know, the basis of Houtan Petroleum's claim is that ConocoPhillips has failed to comply with the notice requirements of the PMPA by providing less than 90 days notice prior to termination, as well as the fact that the price of equipment and improvements offered to Houtan Petroleum fails to approach fair market value, rendering the attempted termination ineffective under the PMPA.


Based on your correspondence and our conversations today, I will advise the Court that you do intend to oppose the Motion and will serve you with a copy of the documents.

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Should you have any questions or wish to discuss this matter further, please do not hesitate to contact me or my associate, Gennady Lebedev.

Very truly yours,

BLEAU / FOX, A P.L.C.

  
By: Thomas P. Bleau, Esq.

000013



**BLEAU FOX**  
**A Professional Law Corporation**  
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**FACSIMILE TRANSMITTAL SHEET**

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**DATE:** November 2, 2007

**TO:** Adam Friedenber  
Clement Glynn

**FAX NO.:** 925-945-1975

**FROM:** Thomas P. Bleau

**REFERENCE:** My client: Houtan Petroleum  
Station Location: 101 E. El Camino Real, Mountain View, CA 94040  
Station #: 255661

**Hardcopy to follow:** Yes

**Number of Pages:** 3

**COMMENT:**

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TRANSMISSION VERIFICATION REPORT

TIME : 11/02/2007 14:15  
NAME : BLEAUFOX  
FAX : 3238741234  
TEL : 3238748613  
SER.# : BRDL3J935204

DATE, TIME	11/02 14:14
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DURATION	00:00:43
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RESULT	OK
MODE	STANDARD
	ECM

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